



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

PAT MCCRORY
GOVERNOR

ART POPE
STATE BUDGET DIRECTOR

February 28, 2014

MEMORANDUM

TO: Secretary Bill Daughtride
Department of Administration

Secretary Frank Perry
Department of Public Safety

FROM: Art Pope, State Budget Director

A handwritten signature in cursive script that reads "Art Pope".

RE: Supplemental Vehicle Purchase

OSBM is authorizing the transfer and use of Department of Public Safety (DPS) lapsed salary funds by the Department of Administration (DOA) for purchase of 277 vehicles totaling \$5,067,161 in FY 2013-14. This amount was determined using DPS' revised request of 380 vehicles and applying a 5% vacancy rate for Community Supervision certified positions. Use of funds for this purpose will generate a deviation within the Department of Administration Motor Fleet Management Internal Service Fund, which requires consultation with the Joint Legislative Commission on Governmental Operations. This consultation requirement will be met when the Commission meets on March 27. The Office of State Budget and Management (OSBM) has been assured by DOA that the purchase "window" for fleet vehicles will remain viable at that time. Further, OSBM requested, and DOA agreed to purchase an additional eight Suburban SUVs totaling \$316,548 as replacements for existing Emergency Management vehicles. These vehicles are to be purchased from existing sources within the Motor Fleet Management Internal Service Fund.

While the actions above will take place in FY 2013-14, I recognize that vehicle purchases have been deferred for several years, resulting in DPS along with other agencies having unmet vehicle needs. To that end and contingent on General Fund availability, OSBM will consider a non-recurring expansion request from DPS outside of the 2% reduction target outlined in the FY 2014-15 Budget Instructions for the additional vehicles needed for the 100 probation/parole officer positions to be established July 1, 2014.

However, given the large number of vehicles that have been purchased this year and are proposed to be purchased next year, I request that DOA, DPS, and other agencies carefully plan the number and timing of their vehicle purchases over the next three fiscal years. This is to ensure the agencies do not try to both "catch up" and expand in over just two years.

Thank you and your staff for your diligent efforts regarding the management of motor vehicles and the willingness of both agencies to work toward compromise regarding replacement vehicles. Should you have any questions and/or comments, please let me know. Or you may contact Assistant State Budget Officers Mercidee Benton or Pam Kilpatrick, with OSBM at 919-807-4700.

cc: Mercidee Benton, Assistant State Budget Officer
Pam Kilpatrick, Assistant State Budget Officer
Dee Jones, Chief Operating Officer, Department of Administration
Lorrie Dollar, Commissioner of Administration, Department of Public Safety
David Guice, Commissioner of Adult Correction and Juvenile Justice, Department of Public Safety